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Clouded titles cleared in land trust case

BY KIMBERLY MILLER - PALM BEACH POST STAFF WRITER | Posted: 5:47 p.m. Monday, March 17, 2014

A judgment against the Boca Raton-based Fidelity Land Trust Co. clears the titles of hundreds of homes statewide that were signed over to the firm in what the Florida attorney general says was a foreclosure-rescue scheme.

The company had acquired about 100 homes in Palm Beach County before being shut down by the state in September 2012. It once boasted having more than 250 properties statewide.

While an attorney general's civil case against multiple connected defendants continues in Broward County, the December judgment against Fidelity rescinds all deeds signed to the firm and declares them null and void. The judgment was filed in Palm Beach County official records last month.

Fidelity told struggling homeowners it could cancel their mortgages through a complicated legal maneuver that involved suing their lender after the homeowner signed their deed over to the firm. Fidelity also offered borrowers new mortgages through an affiliated company.

"Fidelity made false and deceptive or unfair promises and representations to consumers in order to induce consumers to transfer title to their homes to Fidelity for no consideration and to pay Fidelity thousands of dollars in advance fees for services that could not be delivered," the judgment says.

The Palm Beach Post first reported about Fidelity Land Trust in June 2012, noting in subsequent stories that it had been given title to properties that ranged from a million-dollar Boca Raton mansion on the Intracoastal Waterway to a \$60,000 condominium west of Florida's Turnpike.

After the attorney general froze its operations and assets, the firm began signing deeds back to its former clients, but real estate lawyers said it was important to get a court order clearing the titles.

"Having them sign a deed back wasn't sufficient because the attorney general's order said everything was frozen," said Alan Polin, a Boca Raton attorney who filed a lawsuit against Fidelity in April 2013 on behalf of former Fidelity clients. "Someone could come back and make the point that the deed was invalid because they legally couldn't be operating."

In May 2013, Polin got a judge's order to release the couple's home from the asset freeze and void the quit claim deed signed over to Fidelity.

"The damage done by these scams is not only to the consumers who are taken by them, but to the justice system overall because it muddies the water for other consumers and judges as to what constitutes a legitimate defense to foreclosure," said Royal Palm Beach-based foreclosure defense attorney Tom Ice.

A clear title is important for anyone hoping to sell a home because buyers want to make sure that no one else has any possible claim to the property.

December's judgment against Fidelity occurred after attorneys representing the firm withdrew from the case and no new attorneys were named.

Fidelity is listed as an inactive company on the Florida Department of State's website.